

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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1. The Soviet authorities are now conducting at least four different investigations in East Germany which, coordinated, as they may be, at the high-level, are being carried out by different branches of the state and party apparatuses. The four known affairs are:
 - a. The arrest of the Foreign Minister of the Deutsche Demokratische Republik (DDR), Georg Dertinger.
 - b. The arrest and investigation of Minister of Supply, Karl Hamann, accused of mismanagement.
 - c. The arrest and forthcoming trial of Paul Merker, former member of the Politburo of the SED.
 - d. The pending case of Gerhard Eisler.
2. The first two affairs (Dertinger and Hamann) have little connection with the party purge. There are a number of party officials involved in both of them, but in the main this is a coincidence. Hamann has been arrested as a scape-goat because of the general discontent with the supply situation in East Germany. This is an ordinary technique with the régime, whose chiefs are held responsible whenever dissatisfaction in the lower ranks reaches a palpable level. There is a great deal of mismanagement in both the administration and the industrial production, and this reshuffling of the administrative personnel might well have taken place independently of the other investigations. It will be carried on independently, by the competent control department. The Hamann affair, therefore, is only a thermometer for measuring the popular unrest in East Germany, but has no other political implications.
3. The Georg Dertinger affair is another separate case, although characteristic of Soviet methods. Dertinger had been encouraged by high Soviet officials, including Molotov, to keep open his channels to West Germany. He had been considered by many West German neutralists as a man who might play an important role if some form of cooperation between the West and East German governments

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is an attempt to transform the latent anti-Semitism of the Germans into furious anti-Americanism. Merker, who has been loudly denounced as a Trotskyite, belongs to a group of "Zhdanovites" among the European Communists, who believed for a time that the European Communist Parties and régimes would assure for themselves a greater degree of independence from Moscow. Merker was also openly tied to Tito, and it is expected that at his trial a European conspiracy against Moscow will be presented to the public, involving the Yugoslav Tito, the Bulgar Kostov, the Hungarian Rajk, the Pole Gomulka, the Frenchman Marty, and finally, some German and anti-Stalinist Russian Communists.

7. The Gerhart Eisler case is still pending. He has not been connected with Paul Merker as yet. Eisler and Merker did not work together during their sojourn on the American continent; on the contrary, almost open hostility existed between Eisler in New York City and Merker in Mexico City. Eisler does not belong to the Zhdanovite Cominformists, and still has some protection from Malenkov. His case is a limited German affair because Ulbricht wants him eliminated and has tried to bring this about several times, so far without success. It is still quite possible that Eisler will only sink to the second rank for a time but will survive the Merker purge.

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could be worked out. His arrest has perturbed many neutralists in West Germany who have been in contact with the DDR authorities in an effort to achieve unification of Germany. These Eastern-oriented neutralists now view Dertinger's arrest as an alarm signal. They realize that the opportune moment for a four-power parley has passed, and that the Russians are closing the door to any compromise acceptable to the neutralists. Dertinger had not expected his arrest. He believed he had high enough protection in Moscow and made little effort to hide from the public his contacts with the West. Dertinger was indeed encouraged by high-ranking Russians in Berlin who were working seriously to bring about a compromise on the reunification of Germany. The arrest of Dertinger is a possible preliminary to action against those Russian delegates who have gone too far in their contacts with the West. Since Dertinger was under the control of the Soviet external security organizations, functioning under the authority of Beria, his arrest may be related to the Malenkov-Beria fight.

4. The Merker affair is the most important of the pending investigations and has a direct connection with the Moscow purge. Paul Merker, a veteran of the German Communist Party, was, prior to 1933, sympathetically disposed towards the anti-Moscow wing, and for this reason was eliminated in 1931 for some time from a part of his party functions. He was considered to be a Remmele-Neumann man. Remmele was a Reichstag deputy who disapproved of Stalin's German policy in 1932, went to Moscow as a German Communist refugee, and was executed there in 1937, together with his comrade, Heinz Neumann. In 1941, Merker escaped from occupied France and went to Mexico City where he published a paper, Freies Deutschland, and organized a number of Communist fronts there and in other parts of Latin America. Among the German Communist refugee groups in their various countries, the Merker group was the most active during the war, and achieved a degree of autonomy, by the distance which separated it from Moscow. This group at that time hoped that a rather independent popular front could be established in Germany after the war, with little interference from the Moscow authorities, and under the protection of a four-power arrangement. Merker certainly was ambitious to combine his group with that of the anti-Nazi officers who had been prisoners of war in Russia, and to found a League of German Officers. By his activities, Merker gained a certain amount of prestige. Many German Communists in exile hoped that Merker would set up the new German Communist system and not that of Walter Ulbricht, whose return from Moscow was dreaded. However, Merker's influence was only great enough to force his election to membership in the Politburo of the SED after his return to Berlin in 1947.
5. Paul Merker is not a Jew; as a Berlin trade-unionist he is not accused of having indulged in Jewish activities. Reports that he is looked upon as a Zionist are not correct. He is accused of having favored cooperation with Zionist organizations during his stay in Mexico City, and especially with J.P. Warburg, who was assistant director of the German department of the United States Information Service in Mexico for some time during Merker's sojourn there. In Communist émigré circles it was known that the Warburg family had indeed shown great interest in German Communist-front organizations and had financed various groups shortly before and during the war. However, not only Warburg but other Jewish financial circles also cooperated with German Communist émigrés during the war, and occasionally supported their activities. Moscow's statements concerning this cooperation are true, and it is equally correct to say that the Moscow control authorities were unable, from 1933 on, to supervise all their own branch organizations, nor were they prepared to do so at that time. Anti-Semitism as a motive of the present purges should not be overestimated in a correct evaluation of the current purges.
6. The anti-Jewish overtones of the Merker case serve mainly to depict Merker and his group as working for the restoration of Jewish capitalism, with emphasis on capitalism. The reparation demands of expropriated Jewish industrialists have unquestionably produced a wave of neo-anti-Semitism. Merker, linked to Noel H. Field and the Slansky group in Prague, and accused of having cooperated with wealthy Jewish emigrants for the plundering of the German people, is therefore represented to the East and West Germans as a "Morgenthau man". The Merker case

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